

Peace Corps

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(4) An agency of the legislative branch, including the U.S. Senate and the U.S. House of Representatives; and

(5) Other independent establishments that are entities of the Federal Government.

(b) *Certification* means a written debt claim form received from a creditor agency which requests the paying agency to offset the salary of an employee.

(c) *Consumer reporting agency* means a reporting agency as defined in 31 U.S.C. 3701(a)(3).

(d) *Creditor agency* means the agency to which the debt is owed.

(e) The term *debt and claim* refers to an amount of money or property which has been determined by an appropriate agency official to be owed to the United States from any person, organization or entity, except another Federal agency. A debtor's liability arising from a particular contract or transaction shall be considered a single claim for purposes of monetary ceilings of the FCCS.

(f) *Delinquent debt* means any debt which has not been paid by the date specified by the Government in writing or in an applicable contractual agreement for payment or which has not been satisfied in accordance with a repayment agreement.

(g) *Disposable pay* means that part of current basic pay, special pay, incentive pay, retired pay, retainer pay, or, in the case of an employee not entitled to basic pay, other authorized pay remaining after the deduction of any amount required by law to be withheld. These deductions are described in 5 CFR 581.105(b) through (f). These deductions include, but are not limited to: Social Security withholdings; Federal, State and local tax withholdings; retirement contributions; and life insurance premiums.

(h) *Employee* means a current or former employee of the Peace Corps or other agency, including a member of the Armed Forces or Reserve of the Armed Forces of the United States.

(i) *FCCS* means the Federal Claims Collection Standards jointly published by the Department of Justice and the General Accounting Office at 4 CFR parts 101 through 105.

(j) *Hearing official* means an individual responsible for conducting any hearing with respect to the existence or amount of a debt claimed, and rendering a decision on the basis of such hearing. Except in the case of an administrative law judge, a hearing official may not be under the supervision or control of the Peace Corps when the Peace Corps is the creditor agency.

(k) *Paying agency* means the agency which employs the individual and authorizes the payment of his or her current pay. In some cases, the Peace Corps may be both the creditor and the paying agency.

(l) *Notice of intent to offset or notice of intent* means a written notice from a creditor agency to an employee which alleges that the employee owes a debt to the creditor agency and apprising the employee of certain administrative rights.

(m) *Notice of salary offset* means a written notice from the paying agency to an employee after a certification has been issued by a creditor agency, informing the employee that salary offset will begin at the next officially established pay interval.

(n) *Payroll office* means the payroll office in the paying agency which is primarily responsible for the payroll records and the coordination of pay matters with the appropriate personnel office with respect to an employee.

(o) *Salary offset* means an administrative offset to collect a debt under 5 U.S.C. 5514 by deduction at one or more officially established pay intervals from the current pay account of an employee, without the employee's consent.

(p) *Salary Offset Coordination Officer* means an official designated by the Director who is responsible for coordinating debt collection activities for the Peace Corps.

(q) *Waiver* means the cancellation, remission, forgiveness, or nonrecovery of a debt or debt related charge as permitted or required by law.

§ 309.4 Interest, penalties, and administrative costs.

(a) Except as otherwise provided by statute, contract or excluded in accordance with FCCS, Peace Corps will assess:

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(1) Interest on unpaid claims in accordance with existing Treasury rules and regulations, unless the agency determines that a higher rate is necessary to protect the interests of the United States.

(2) Penalty charges at a rate of 6 percent a year on any portion of a claim that is delinquent for more than 90 days.

(3) Administrative charges to cover the costs of processing and handling the debt beyond the payment due date.

(b) Late payment charges shall be computed from the date of mailing or hand delivery of the notice of the claim and interest requirements.

(c) When a debt is paid in partial or installment payments, amounts received shall be applied first to outstanding penalty and administrative cost charges, second to accrued interest, and then to outstanding principal.

(d) Waiver. Peace Corps will consider waiver of interest, penalties and/or administrative costs in accordance with the FCCS, 4 CFR 102.13(g).

§ 309.5 Designation.

The Chief Financial Officer and his or her delegates, or any person discharging the functions presently vested in the Chief Financial Officer, are designated to perform all the duties for which the Director is responsible under the foregoing statutes and Joint Regulations: Provided, however, That no compromise of a claim shall be effected or collection action terminated except with the concurrence of the General Counsel. No such concurrence shall be required with respect to the compromise or termination of collection activity on any claim in which the unpaid amount of the debt is \$300 or less.

Subpart B—Salary Offset

§ 309.6 Purpose.

The purpose of the Debt Collection Act of 1982 (Pub. L. 97-365), is to provide a comprehensive statutory approach to the collection of debts due the United States Government. This subpart implements section 5 thereof which authorizes the collection of debts owed by Federal employees to the Federal Government by means of salary offsets. No claim may be col-

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lected by salary offset if the debt has been outstanding for more than 10 years after the agency's right to collect the debt first accrued, unless facts material to the Government's right to collect were not known and could not reasonably have been known by the official or officials who were charged with the responsibility for discovery and collection of such debts.

§ 309.7 Scope.

(a) This subpart provides Peace Corps' procedures for the collection by salary offset of a Federal employee's pay to satisfy certain past due debts owed the United States Government.

(b) This subpart applies to collections by the Peace Corps from:

(1) Federal employees who owe debts to the Peace Corps; and

(2) Employees of the Peace Corps who owe debts to other agencies.

(c) This subpart does not apply to debts or claims arising under the Internal Revenue Code of 1954, as amended (26 U.S.C. 1 *et seq.*); the Social Security Act (42 U.S.C. 301 *et seq.*); the tariff laws of the United States; or to any case where collection of a debt by salary offset is explicitly provided for or prohibited by another statute (e.g., travel advances in 5 U.S.C. 5705 and employee training expenses in 5 U.S.C. 4108).

(d) This subpart does not apply to any adjustment to pay arising out of an employee's election of coverage or a change in coverage under a Federal benefits program requiring periodic deductions from pay, if the amount to be recovered was accumulated over four pay periods or less.

(e) Nothing in this subpart precludes the compromise, suspension, or termination of collection actions where appropriate under the standards implementing the Federal Claims Collection Act (31 U.S.C. 3711 *et seq.*; 4 CFR parts 101 through 105).

§ 309.8 Applicability of regulations.

The provisions of this subpart are to be followed in instances where:

(a) The Peace Corps is owed a debt by an individual currently employed by another agency;